
HOUSE BILL No. 1626

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12-43.

Synopsis: Property tax deduction and credit applications. Requires the closing agent in a single family residential financing transaction to: (1) provide to the customer the forms to file for the homestead credit and individual property tax deductions; (2) allow the customer to complete the forms; and (3) transfer the forms to the county recorder. Directs the county recorder to transfer the forms to the county auditor for filing.

Effective: July 1, 2005.

Stevenson

January 19, 2005, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1626

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-12-43 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 43. (a) For purposes of
3 this section:

4 (1) "benefit" refers to:

5 (A) a deduction under section 1, 9, 11, 13, 14, 16, 17.4, 26, 29,
6 31, 33, or 34 of this chapter; or

7 (B) the homestead credit under IC 6-1.1-20.9-2;

8 (2) "closing agent" means a person that closes a transaction;

9 (3) "customer" means an individual who obtains a loan in a
10 transaction; and

11 (4) "transaction" means a single family residential:

12 (A) first lien purchase money mortgage transaction; or

13 (B) refinancing transaction.

14 (b) Before closing a transaction after ~~December 31, 2004~~, **June 30,**
15 **2005**, a closing agent must:

16 (1) provide to the customer:

17 (A) the form referred to in subsection ~~(c)~~; (g); and

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(B) the form adopted by the department of local government finance for application for each benefit for which the customer wishes to apply;

(2) give the customer the opportunity to complete each form referred to in subdivision (1)(B); and

(3) offer to submit each form completed by the customer as described in subdivision (2) to the county recorder for transfer to the county auditor under subsection (c).

(c) A closing agent shall submit to the county recorder each form completed as described in subsection (b)(3). The county recorder shall transfer each form received under this subsection to the county auditor. Subject to subsection (d), the county auditor shall file each form in the same manner as if the form had been received from the customer in person or by mail.

(d) If the county auditor receives an application form under subsection (c) before the beginning of the statutory period for filing the form for the first calendar year in which the customer qualifies for a benefit, the county auditor shall:

(1) hold the application form until that period begins; and

(2) file the form during that period as described in subsection (c).

(e) County auditors shall make the forms referred to in subsection (b)(1)(B) available to closing agents.

(f) Failure of:

(1) the county recorder to transfer forms to the county auditor under subsection (c); or

(2) the county auditor to file forms under subsection (c) or (d); constitutes an error of omission for purposes of IC 6-1.1-15-12(a)(8).

~~(c)~~ (g) Before ~~June~~ July 1, 2004, 2005, the department of local government finance shall prescribe the form to be provided by closing agents to customers under subsection ~~(b)~~ (b)(1)(A). The department shall make the form available to closing agents, county assessors, county auditors, and county treasurers in hard copy and electronic form. County assessors, county auditors, and county treasurers shall make the form available to the general public. The form must:

(1) on one (1) side:

(A) list each benefit;

(B) list the eligibility criteria for each benefit; and

(C) indicate that a new application for a deduction under section 1 of this chapter is required when residential real property is refinanced;

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(2) on the other side indicate:

(A) each action by; and

(B) each type of documentation from;

the customer required to file for each benefit; and

(3) be printed in one (1) of two (2) or more colors prescribed by the department of local government finance that distinguish the form from other documents typically used in a closing referred to in subsection (b).

~~(d)~~ **(h)** A closing agent:

(1) may reproduce the form referred to in subsection ~~(c)~~; **(g)**;

(2) in reproducing the form, must use a print color prescribed by the department of local government finance; and

(3) is not responsible for the content of the form referred to in subsection ~~(c)~~ **(g)** and shall be held harmless by the department of local government finance from any liability for the content of the form.

~~(e)~~ **(i)** A closing agent to which this section applies shall document its compliance with this section with respect to each transaction in the form of verification of compliance signed by the customer.

~~(f)~~ **(j)** A closing agent is subject to a civil penalty of twenty-five dollars (\$25) for each instance in which the closing agent fails to comply with this section with respect to a customer. The penalty:

(1) may be enforced by the state agency that has administrative jurisdiction over the closing agent in the same manner that the agency enforces the payment of fees or other penalties payable to the agency; and

(2) shall be paid into the property tax replacement fund.

A closing agent is not liable for any other damages claimed by a customer because of the closing agent's mere failure to provide the appropriate document to the customer.

~~(g)~~ **(k)** The state agency that has administrative jurisdiction over a closing agent shall:

(1) examine the closing agent to determine compliance with this section; and

(2) impose and collect penalties under subsection ~~(f)~~; **(j)**.

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